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SMALL BUSINESS AND ENTREPRENEURSHIP

October 24, 2018

The Honorable Robert Lighthizer U.S. Trade Representative 600 17th Street NW Washington, DC 20508

Dear Ambassador Lighthizer,

I am writing about the proposed Free Trade Agreement with the European Union (EU) and the retaliatory tariffs they have levied on U.S. dry bean imports. Since the EU has indicated that agriculture concerns will not be addressed in any upcoming agreements, I urge you to work to ensure retaliatory tariffs against U.S. agriculture products are dropped before any future negotiation.

On March 22, 2018, President Trump imposed the first broad-based round of tariffs on goods imported into the United States and set a tariff rate of 25 percent for steel and 10 percent on aluminum imports. While the administration had initially exempted the EU and other close allies from these tariffs, they were applied to the EU on June 1. On June 20, the EU responded with \$3.2 billion in retaliatory actions that have been applied to a wide variety of American exports, including dry edible beans. Additionally, the EU has identified a further \$4.2 billion in retaliatory actions, which are scheduled to go into effect in 2021.

In 2017, North Dakota was the number one producer of navy and pinto beans and the number two producer of black and great northern beans. This production accounts for nearly 35 percent of total U.S. production of dry edible beans. In 2017, the United States exported 205.5 million metric tons of dry edible beans to the EU at a value of \$170.6 million. This year, we have seen a 23 percent decrease in the amount of beans exported to the EU compared to 2017. This decrease in market share is allowing U.S. competitors to fill orders and damage relationships that North Dakota farmers have spent significant time and resources working to develop.

It is important for the United States to continue to support free and fair market access. However, with these tariffs in place, our dry edible bean producers are at risk of losing markets and having to decrease their domestic production. It is my hope that this issue can be resolved during future talks between the United States and the EU. Thank you for your attention to this important issue.

Sincerely.

Heidi Heitkamp

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